

The

INTERCHANGE

Monthly Newsletter for State Employees Prepared by State Employees



A New Option for Health Insurance to be Offered in 2006!

During benefit open enrollment for 2006, State Employees will have a new option to consider for health insurance. It is a health savings account (HSA) tied to a consumer driven health plan administered by Anthem. In short, this arrangement combines traditional health coverage with deductibles higher than what State Employees are accustomed to seeing and a tax free way to help employees build savings to pay the deductible and save for future medical expenses.

Here are the details on the plan the State will offer. The health plan will provide standard medical benefits in the Anthem network at 80% with the employee bearing 20% of the network negotiated prices for service. Out-of-network services will be reimbursed at 60% of the network price. The deductible for single individuals will be \$2500 while the family deductible will be \$5000. Preventive services like annual physicals and well baby checks are NOT subject to the deductible. Employees who elect this coverage will have no premium deducted from their pay. At the same time, these employees will have a health savings account (required) set up in their names into which they can make tax-free contributions from each pay so that money is available when the employee needs to access medical care during the deductible period. The State will also be making a contribution directly into participants' health savings accounts.

One of the very neat features of this plan is that the HSA belongs to the individual employee. The money in the account rolls over from year to year and the employee takes the account with them when they leave State Government. No more "use it or lose it"! One of the qualified uses for the money in the health savings account is to pay for health insurance premiums when the employee is retired or otherwise not working. For employees in their 30's and 40's, this is an opportunity to begin to save for health insurance during the golden years of retirement before employees are Medicare eligible.

There are a few restrictions. The money can only be used for qualified medical expenses. If it is used for something else, the money which was contributed to the account tax-free will be taxed PLUS a penalty is also applied. Another restriction is that employees participating in another health plan are not eligible for this option. In other words, if your spouse or children are covered by a plan through your spouse's employer, you cannot elect a family health savings account. Likewise, if you are covered by your spouse's health plan, you are not eligible to elect a health savings account.

The goal of this type of plan is to give the employee more control over how he or she spends health care dollars. That is why the plan is called "consumer-driven." The

assumption is that employees will give more thorough consideration and research into particular services or treatments they seek when they are spending their own money. We are working with Anthem to try to make more information available to you on their website so that you can do research on costs before you call the doctor. The Anthem website already has an immense amount of knowledge on medical conditions and treatments, but many employees have been unaware what is there.

We will be spending time during the October meeting with all interested employees to help you better understand how health savings accounts work and if this might be the best choice for you. Be on the lookout for information about these meetings in your area. You won't want to miss them.

We have received many questions about the rest of our medical care options. We want to confirm that we will continue to offer the Anthem traditional and Anthem traditional II plans as well as M-Plan choices. We do not have final premiums yet, but we know they are going up significantly.

You will be hearing lots more on these topics in the next few weeks. Please take the time to learn about health savings accounts and determine what is the best option for you and your family.

A Walk in Shades State Park to Get *INShape Indiana!*

Over 40 walkers, many of them state employees and their families, joined in a 2-3 mile walk on Saturday, September 17, 2005 at one of Indiana's 24 beautiful state parks, Shades State Park. Participants received free admission into the park and a free INShape Indiana T-shirt!



To find out what activities will be happening in your neighborhood, visit www.inshape.IN.gov/activity.

Don't forget to join INShape Indiana by logging on to the web site at www.inshape.IN.gov!

INShape Indiana is administered through the Governor's Council for Physical Fitness and Sports at the Indiana State Department of Health. For more information on INShape Indiana, log onto the web site at www.inshape.IN.gov or contact the Governor's Council at (317) 233-7671.

Coming soon!

New Employee Performance Management Process

The State Personnel Department is excited to announce that effective January 1, 2006, the State of Indiana will implement a new performance management process. The new process ties performance expectations to agency mission, vision, and goals, and fosters communication among all levels of responsibility from top agency executives, to supervisors and front-line employees. We believe this will be a positive change that will enable each employee at every level of the organization to see a clear path showing how his or her work directly contributes to the success of the agency. The foundation of this new process is “performance management.”

What is Performance Management?

Performance management is an interactive process where upper management communicates the agency’s strategic vision and goals to every supervisor and employee who then develop group and individual goals and standards to successfully achieve the agency’s vision and goals.

In an effective performance management process, the organization’s strategic plan is “cascaded” down so that ultimately there is a clear path that connects individual employees to that plan. Employees know how their work contributes to the success of the organization. They also know what is expected of them, how they are doing, what is working well, and what needs improvement. When performance management is done well in organizations, employees are more satisfied, turnover decreases, and productivity increases.

Why should we change our current performance appraisal system?

The current performance appraisal focuses exclusively on specific duties for individual positions rather than identifying outcomes that the individual can achieve that will develop new skills and abilities while helping the agency reach organization-wide goals.

The current system does not provide a mechanism for recognizing or rewarding truly superior performance. In fact, the current rating system actually reinforces mediocre performance.

In an effort to energize the performance appraisal process and to help build and sustain a performance-based culture in state government, the State Personnel Director created a committee to explore revisions to the existing performance appraisal tools. This committee consisted of representatives from State Personnel’s divisions of organizational design and employee relations as well as human resource managers from multiple state agencies. The committee explored best practices in performance management from other organizations and state governments and consulted with various agency managers to determine how those managers wanted to be able to manage employee performance. This process has resulted in the development of new tools designed to give agency managers the flexibility they need to build strong performance management systems within their organizations

How does Performance Management work?

To be done well, performance management is a shared responsibility of employees and supervisors. Performance management is done best *with* employees, not *to* them. Employees are responsible for participating in all phases of the performance management process to the best of their abilities and for performing their work in a way that meets performance expectations. Employees are also responsible for asking questions whenever necessary to understand what is expected of them and for communicating successes and problems to their supervisors to help their supervisor measure their progress or provide assistance when needed.

Effective performance management is crucial to the accomplishment of agency

goals and objectives. It is also a fundamental management responsibility. Employees need and want to know what is expected of them, how they are doing, what’s working well, and what needs improvement.

Agency management must commit to sending a clear and unequivocal message to all employees that performance matters. There must be a commitment to holding each employee at every level of the organization accountable for their participation in this process. Management is also obligated to provide sufficient resources for the training and supporting of all supervisors and managers in the essential components of employee-level performance management. Successful implementation of performance management will start agencies on the path to creating and sustaining a performance-based, high-achieving culture.

These key components include:

1. The setting of clear performance expectations for each employee linked to the desired outcomes as set forth in the agency’s strategic plan. Performance expectations must be specific, measurable, and/or observable and must include the following:

- Performance Expectations.
“What” the employee is expected to do. These are expressed as results or outcomes the employee is expected to achieve in order to be fully successful; and
- General Factors.
“How” the employee is expected to behave. This consists of competencies that the employee is expected to demonstrate in order to be fully successful.

2. Individual training needed to support employee achievement of desired objectives.

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2005 - 2006 State Employees' Community Campaign at a Glance

Theme: "State Employees, Building Communities"

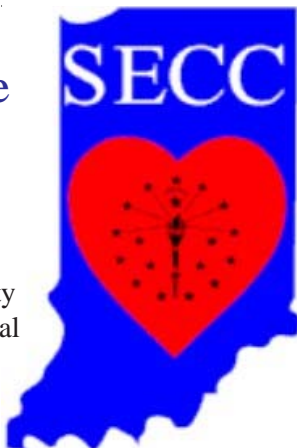
Statewide Goal: \$1,230,000

Participants: State employees may contribute to *any* charity that is recognized as a 501(c)3 organization by the US Internal Revenue Service.

SECC Champion: State employees who pledge one-half hour's pay per check through the State Employees' Community Campaign (SECC).

Torchbearer Society: State employees who have the means and the commitment to make a leadership contribution of \$1000 or more through the SECC.

For more information, contact your agency's SECC Coordinator or Kristin Brown at [kribrown@spd.in.gov](mailto:krbrown@spd.in.gov) or (317) 234-1407. Check out SECC progress at www.insecc.org.



Homebuying Info Seminar

October 26 4:00 p.m. – 5:00 p.m.
IGC-South Conference Center in Indpls.

The following topics will be covered: Credit Qualifying, Market Conditions, Pre-Approval vs. Pre-Qualified, Closing Costs, and FHA/VA/Conventional Loans.

To register, please contact Diana Smith at dismith@spd.in.gov or (317) 233-3777. For more information, visit www.in.gov/jobs/special_projects/octfps.html.

NOTE: Employees should attend this seminar on their own time. If you are regularly scheduled to work during this time, you should adjust your schedule (with approval from your supervisor) or use paid time off in order to attend.

Ways to Contribute to Hurricane Disaster Relief Through the SECC

Many of you may want to contribute to hurricane relief efforts due to the tragedy of Hurricane Katrina on the Gulf Coast. Two State Employees' Community Campaign (SECC) code numbers are already available for Disaster Relief:

301301 American Red Cross - Disaster Relief Fund
315701 Salvation Army - Disaster Relief Fund

Of course, you may contribute to *any* relief organization of your choosing through the SECC, as long as it is recognized as having

a 501(c)3 ruling from the US Internal Revenue Service.

Remember, your payroll deduction pledge will not be paid out until 2006. However, while the "first responders" are stretched and do need monetary support now, the job of rebuilding peoples' lives and communities is going to take months and years. This disaster will strain the resources of our country's entire range of nonprofit organizations. Social services, health, educational, humanitarian, environmental, spiritual, and animal rescue organizations, to name just a few, are all going to need a

steady stream of contributions throughout 2006 and beyond to meet the need. A Champion-level payroll deduction contribution through the SECC will ensure they receive a constant flow of support.

Don't forget that charity begins at home. Many communities in Indiana have accepted hurricane evacuees and are working to help them put their lives back together. When you help the nonprofit organizations you already support in your community, you are contributing in one way or another to hurricane disaster relief and rebuilding.

You Are Cordially Invited to Meet The Blind

Have you ever wondered what it would be like to live as a blind person? Have you ever found yourself curiously contemplating how the blind are able to live normal, productive lives and participate as equals in society? Are you an employer who has considered hiring a blind employee but were unsure whether or how they would fit into the workplace?

If you have pondered these or other questions, then you would do well to join the National Federation of the Blind of Indianapolis, as we seek to lay our proverbial cards on the table.

On Wednesday, October 12, 2005 from 11:00 a.m. – 2:00 p.m., the National Federation of the Blind of Indianapolis will be on hand in Conference Center Room 12 of the Indiana Government Center - South Building in Indianapolis to answer your questions.

We'll provide you with personal demonstrations of the Alternative techniques employed by the blind to perform the tasks most rely on their vision to accomplish. There will be video presentations, as well as literature, which will shed light on the questions of what it is

like to be blind, or even more importantly, what it *isn't* like.

This informal event promises to be a festive, informative and educational session for all, whether you are able to spend just a few minutes or an entire lunch hour with us. So come join the National Federation of the Blind of Indianapolis, as we continue to work to change what it means to be blind in Indiana.

Please contact Diane Graves, Indiana Civil Rights Commission, at (317) 232-2647 with any questions or concerns.

TRAINING PROGRAMS

November 2005

Date	Time	Class	Cost
2	9:00 - 1:00	Information and Records Management	Free
8	9:00 - 12:00	Selection and Interviewing	Free
9	9:00 - 12:00	Workplace Harassment Prevention	Free
10	8:30 - 4:30	Pre-Retirement Planning Seminar	Free
15	8:30 - 3:30	Interpersonal Dynamics	\$35
16	9:00 - 3:30	Performance Appraisal	Free
17	10:00 - 11:30	PERF: Your Retirement Program	Free
17	1:00 - 3:30	Hoosier S.T.A.R.T. "Plan Overview and Enrollment"	Free

NOTE: All classes will be held in the State Conference Center except where noted.

**These classes are only offered to SUPERVISOR/MANAGERS AND/OR HUMAN RESOURCES PERSONNEL.

Classes that require a fee are noted. Obtain your supervisor's approval to attend.

For more information or to register, you will need to contact your agency training contact person (ATCP).

New Performance Management Process

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3. Regular, ongoing coaching, feedback and communication with employees.

4. Regular performance appraisal – the assessment of an employee's actual performance relative to the performance expectations.

5. Timely, meaningful recognition of desired performance.

6. Timely corrective action and/or disciplinary action, when necessary.

How do employees benefit from this change?

The first benefit is that each employee will be able to identify his or her role in making the agency successful and will have specific expectations and measurements for determining success. Another benefit will be professional development. Each supervisor and manager will be held accountable for a general factor "Staff Development." This will involve individual plans to provide the tools each employee needs to be successful.

Employees who meet or exceed expectations will be recognized for those achievements under a new pay for performance program. State

employees should strive for excellence. Recognizing excellence will go a long way toward encouraging individuals to reach higher and achieve their potential.

For more information

Watch the Interchange each month for updates and procedures. Also you can go to State Personnel Department's web page at www.IN.gov/jobs and click Performance Management for more information, including Frequently Asked Questions. Training sessions are being scheduled this fall for supervisors and managers to learn their part of the new process. Employee training sessions will be scheduled beginning in December 2005.

Happy Halloween!



Provided by Jerry Williams, Personnel Dept.

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